协鑫新能源控股有限公司
GCL New Energy Holdings Limited

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(Stock Code: 451.HK)

2017 Interim Results

August 2017

Bringing Green Power to Life

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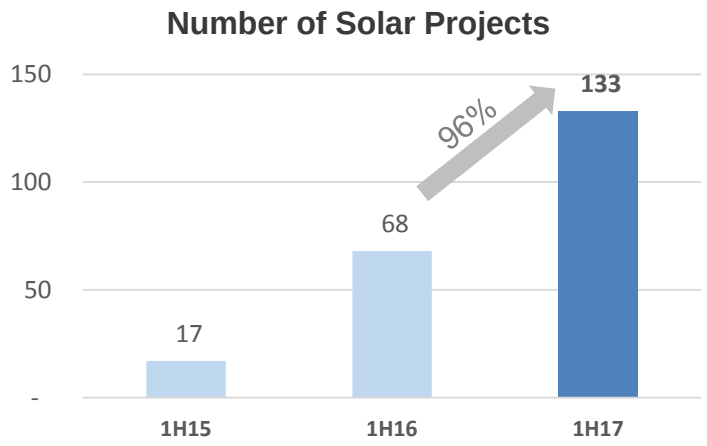
Company Profile

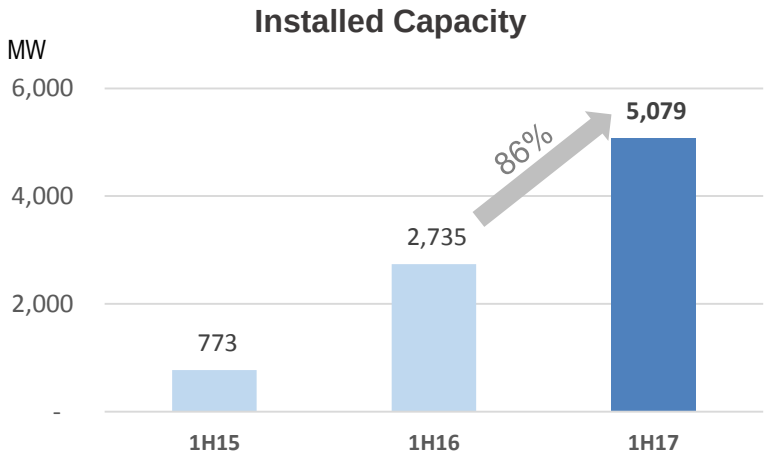
- Largest privately-owned solar IPP in China, equipped with self-development, construction and management, and operation and maintenance capabilities. Currently, GNE operates a national portfolio of 128 solar farms across 26 provinces, together with solar farms in the US and Japan, newly added capacity in 1H17 was 1.6GW, with total installed capacity of 5.1GW
- With scientific and technological advantages, obtained 360MW in Frontrunner Program (ranking 3rd nationwide) and 250MW in poverty alleviation solar energy projects (ranking 1st nationwide)
- A constituent of MSCI Global Small Cap Index - MSCI Hong Kong Index, gaining recognition from international capital market
- Included in the trading list of Shenzhen-Hong Kong Stock Connect and Hang Seng Stock Connect Hong Kong Index, gaining recognition from Chinese capital market
- 2016 Corporate Social Responsibility Report was published and received Four-Star Rating from China Academy of Social Sciences (with Five-Star the highest rating)
- Owned 62.3% by GCL-Poly (3800.HK), a world's leading polysilicon producer and largest wafer supplier

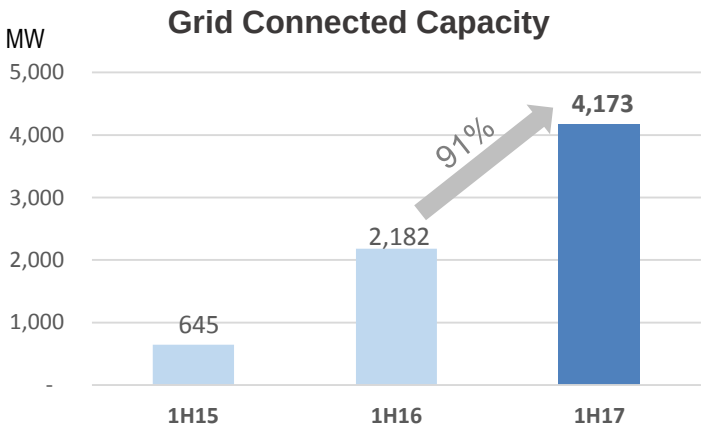
Contents

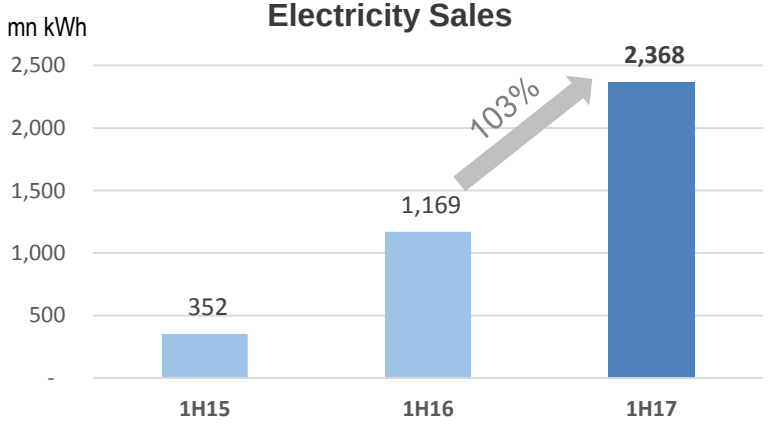
Results Highlights

Capacity Addition on Track

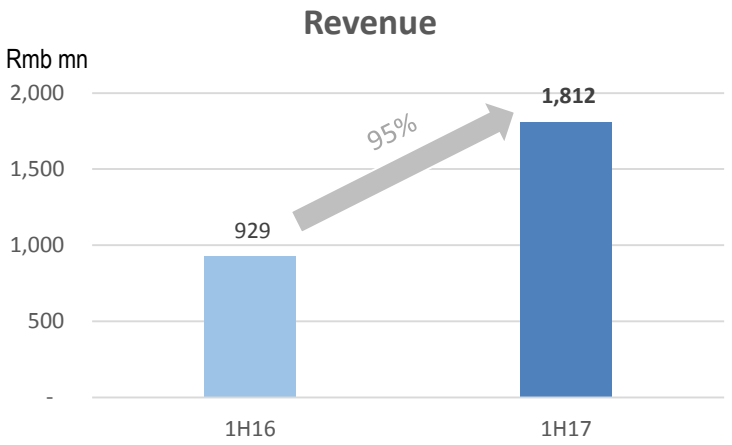


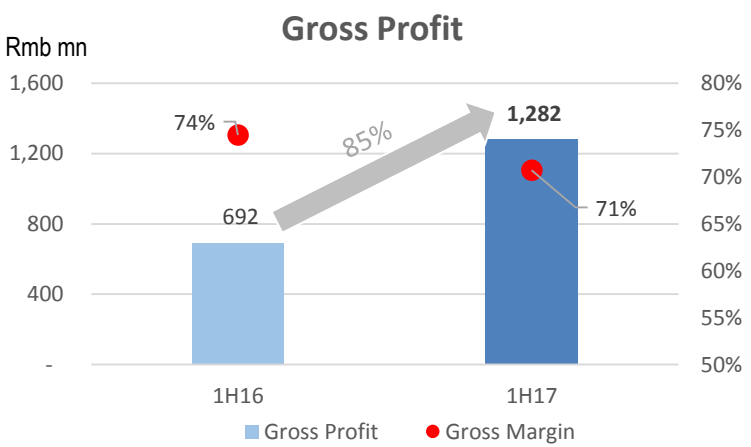


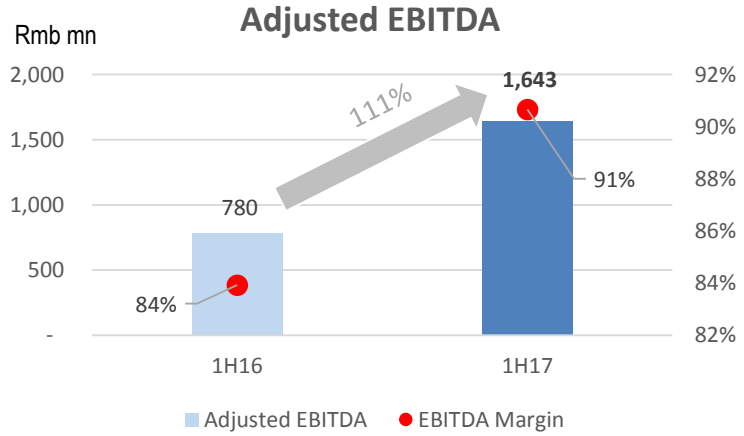


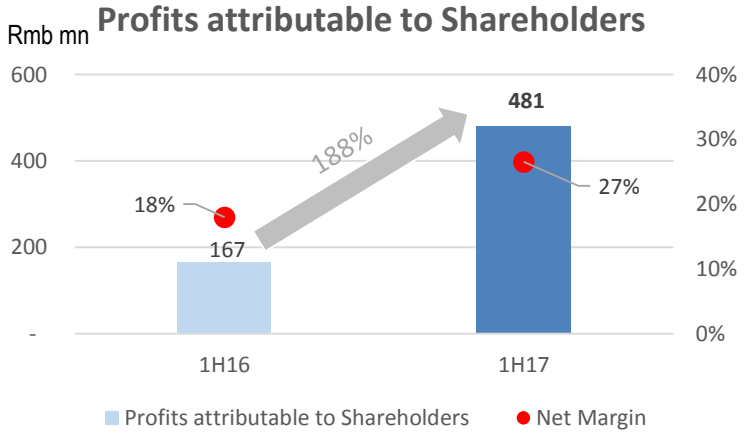


Solar Business – Solid Earnings Growth









Notes:

- Adjusted EBITDA does not include non-operating items

Financial Resources and Liquidity

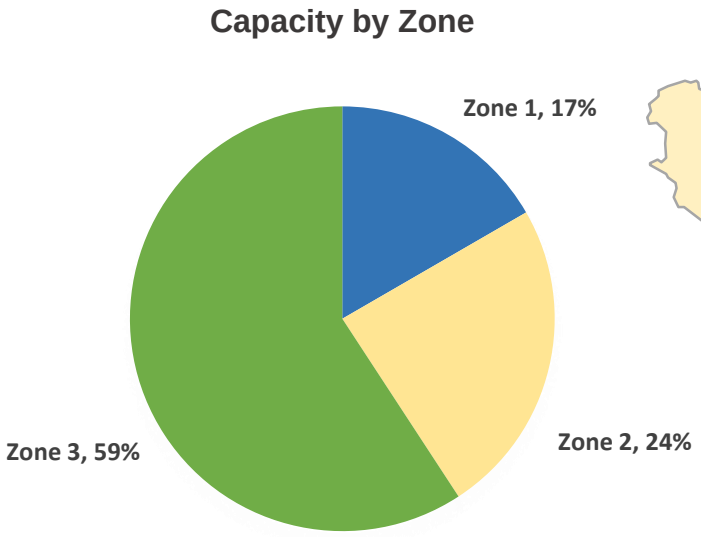
RMB million	At 30 Jun 17	At 31 Dec 16	YoY change
Bank balances, deposits and cash	**5,062**	6,128	*-17.4%*
Government subsidies receivables	**3,036**	2,116	*43.5%*
Total interest-bearing debt	**26,797**	22,900	*17.0%*
Net debts (Total interest-bearing debt minus cash)	**21,735**	16,772	*29.6%*
Total equity	**6,903**	6,420	*7.5%*
Net debts to total equity	**315%**	261%	*54ppt*
Total Liabilities to total assets	**85.0%**	84.5%	*0.5ppt*

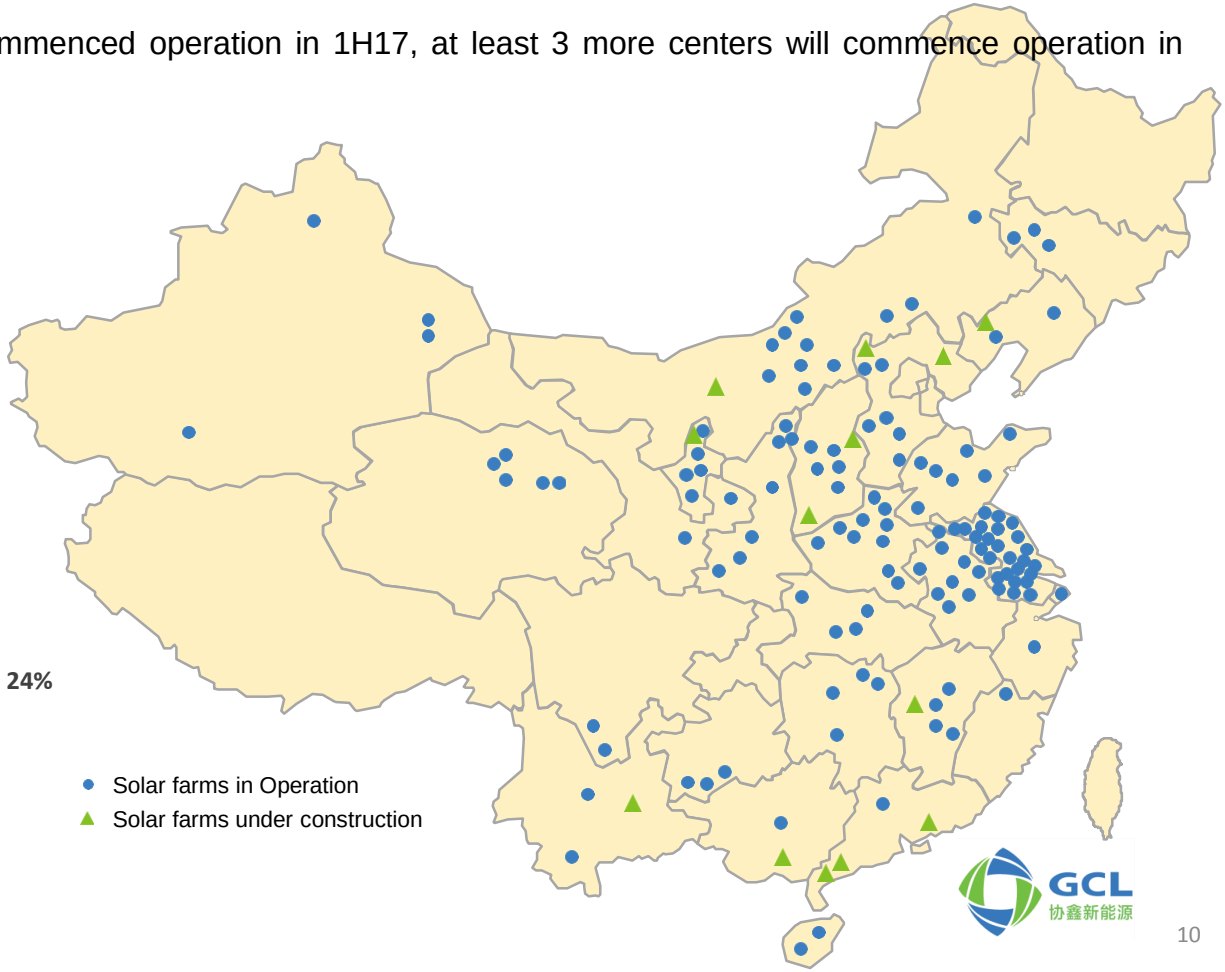
Aims to lower gearing level to below 80% in a disciplined manner by transforming to asset-light model

Operational Review

Strategic National Portfolio

- Solar farms across 26 provinces, with around 50% of our installed capacity located in Shaanxi, Inner Mongolia, Henan, Jiangsu, Anhui and Hebei
- Over 80% located in zone 2 and 3 while only 7% of installed capacity is located in areas with high curtailment rate (Zone 1 area in Xinjiang, Ningxia, Gansu)
- Ningxia and Shanxi O&M center commenced operation in 1H17, at least 3 more centers will commence operation in 2H17





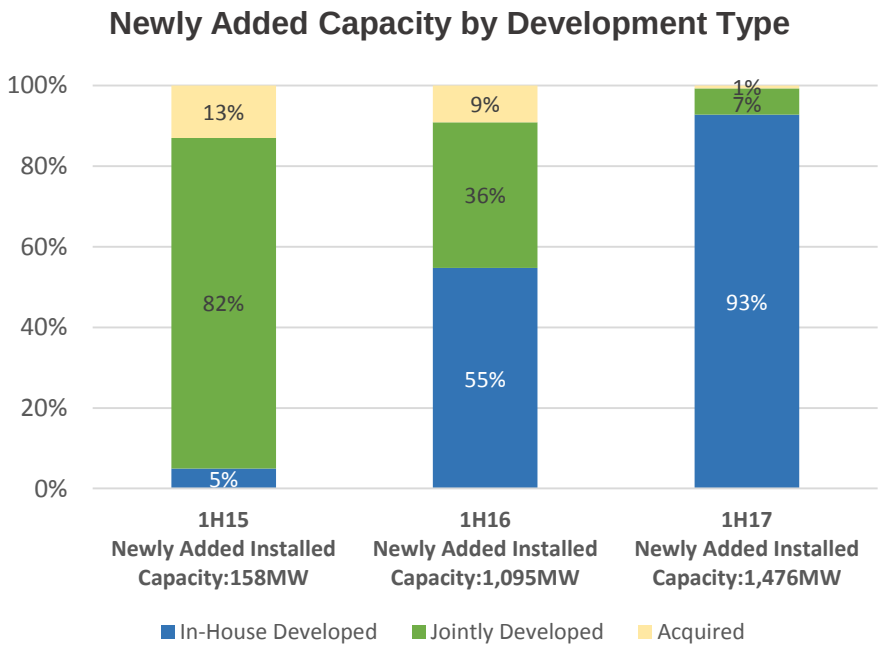
Project Overview in China

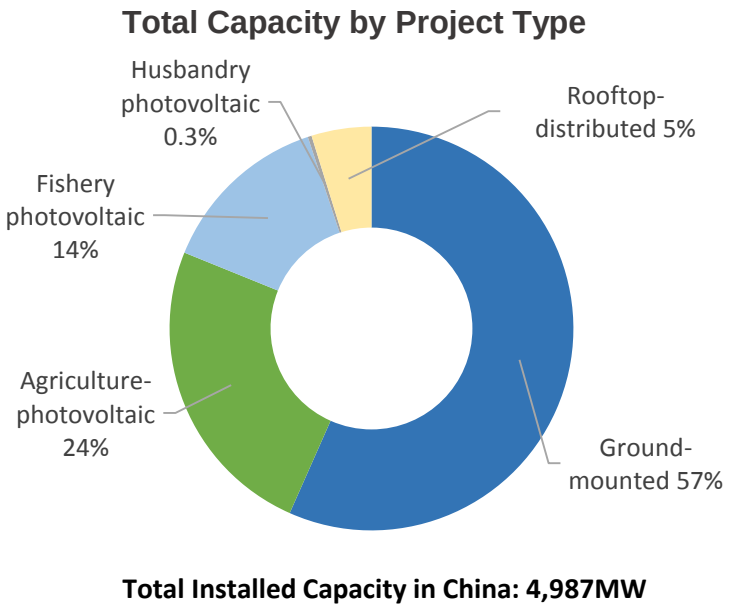
	Tariff Zone	No. of Solar Power	Installed Capacity (MW)	Grid Connected Capacity (MW)	Electricity Sales (mn kWh)	Average Tariff ex-VAT (Rmb/kWh)	Revenue (Rmb mn)
Subsidiaries	1	21	826	754	539	0.74	398
	2	23	1,198	1,066	615	0.78	479
	3	83	2,938	2,236	1,164	0.85	991
	Sub-total	**127**	**4,962**	**4,056**	**2,318**	**0.80**	**1,868**
Joint Venture	2	1	25	25	10	0.80	8
	Total	**128**	**4,987**	**4,081**	**2,328**	**0.80**	***1,876**

* Before adjusting the effect of discounting government subsidies receivables to present value and Ningxia tariff adjustment

Strong In-House Development Capabilities

- Substantially increased the proportion of in-house developed projects in newly added installed capacity from 55% in 1H16 to 93% in 1H17
- Leveraged on in-house development capabilities to further reduce overall development costs with construction cost of newly added projects to Rmb6.3 per watt in 1H17, 13% lower than 1H16





Total Installed Capacity in China: 4,987MW

Frontrunner & Poverty Alleviation Projects won by GNE

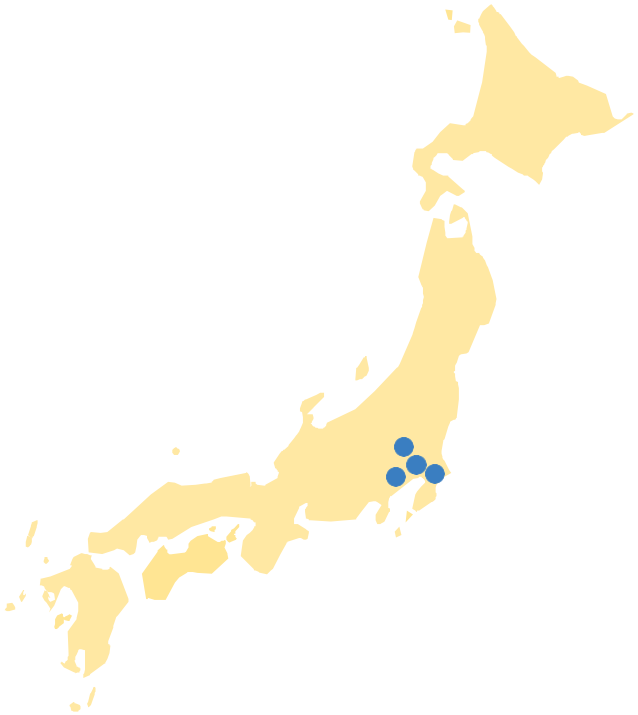
- **Frontrunner Program: 360MW (3rd nationwide)**
  - Projects not subject to curtailment and located in areas with higher irradiation
  - Despite lower tariff through open bidding, equity IRR assured to be ≥ 12%

- **Poverty-Alleviation: 250MW (1st nationwide)**
  - Can get benchmark solar power tariff
  - Interest rate at a discount to PBOC rate
  - Subsidies granted and released on time

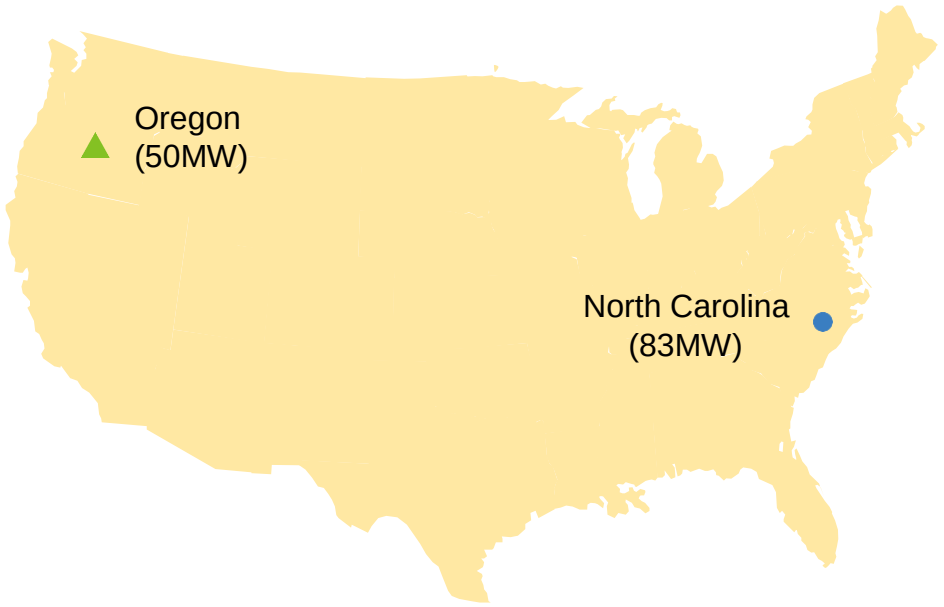
Forerunner Program	Installed Capacity (MW)	Tariffs (RMB)	Status as of 2017June 30
Yangquan, Shanxi	100	0.61	To be completed in Sept 17
Ruicheng, Shanxi	100	0.65	To be completed in Jul 17
Lianghuai, Anhui	60	0.71	To be completed in Sept 17
Jinan, Shandong	50	0.83	To be completed in Sept 17
Wuhai, Inner Mongolia	50	0.48	To be completed in Oct 17
Total:	**360**		

Poverty-Alleviation	Installed Capacity (MW)	Tariffs (RMB)	Status as of 2017 June 30
Anqing, Anhui	20	0.98	Grid connected
Suzhou, Anhui	20	0.98	Grid connected
Linfen, Shanxi	100	0.98	Grid connected
Heze, Shandong	40	0.98	Grid connected
Baicheng, Jilin	10	0.88	Grid connected
Ganzhou, Jiangxi	60	0.98	Grid connected
Total:	**250**		

Overseas Project Overview



Japan
Total: Around 9MW



The United State
Total: Around133MW
(Project in Oregon will commence operation in 2018)

Solar farms in Operation

Solar farms under construction

Asset Light Model Transformation

Built- Transfer- Operating Model

- On 31 May 17, **Suzhou GCL**, an indirect wholly-owned subsidiary of GCL New Energy entered into a co-operation framework agreement with **Fuyang New Energy**
  - Suzhou GCL will develop in customization, construct and operate approx. 200MW of solar farm projects, then transfer to Fuyang New Energy after being grid connected
  - Suzhou GCL will be responsible for EPC, and provide O&M services after completion in return for stable management fees

Joint Venture Model

- On 30 June 17, **Suzhou GCL** entered into Share Transfer Agreements with **Zhongmin GCL**, a joint venture with 32% and 68% equity interests held by Suzhou GCL and **Zhongmin New Energy**
  - Suzhou GCL transferred shares in Jinhu and Wanhai, a total of 130MW operating solar farms
  - Suzhou GCL will provide O&M services and receive stable management fees
  - Jinhu and Wanhai will no longer be subsidiaries of GCL New Energy after the transfer, hence, no need to consolidate their debts

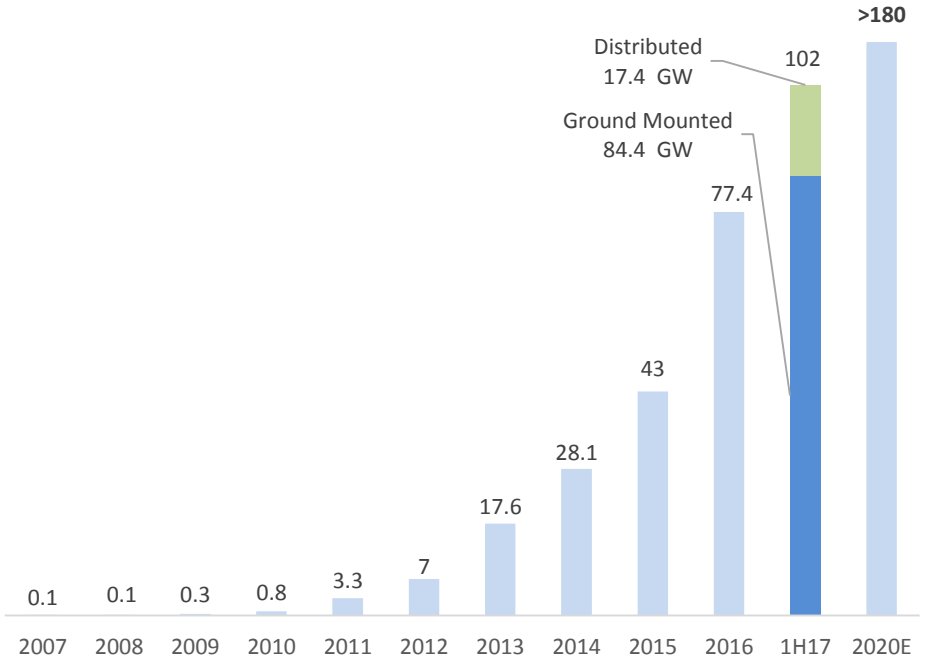
Industry Updates and Prospect

Significant Growth of Market Potential

Unprecedented Growth Opportunity

- **2017 Additional Capacity Target:** 35-40GW
- **2020 accumulated Installed Capacity Target:** Over 180GW as 21-22GW capacity pa (excl poverty-alleviation and rooftop) will be added in 2018-2020
- **Determination to Renewables :** reach goal of non-fossil energy accounting for 15% and 20% of primary energy consumption by 2020 and 2030
- **Technology enhancement:** select enterprise developing frontrunner projects through competitive on-grid pricing regime, accelerating technological and industrial enhancement
- **Continue to drive Poverty-Alleviation:** 2017 targets at 8GW to benefit 640,000 registered underprivileged families
- **On-grid Parity**: 13th FYP specifically provided that by 2020 grid parity on the generation-side should be achieved

China's Accumulated Installed Capacity (GW)



Government's Supportive Policies

Minimum Utilization Hours Policy

- The Policy sets minimum utilization hours ranging from 1,300 – 1,500 hours for solar farms located in provinces facing severe curtailment issues
- Gansu, Xinjiang and Ningxia do not receive any 2017-2020 quota due to severe curtailment rate
- High voltage transmission line (Jiuquan to Hunan) commenced operation in June 17

Feed-in-tariff (FiT)

- Since 1July 2017, Feed-in-tariif for zone 1,2,3 were adjusted to Rmb0.65 / 0.75 / 0.85 per kWh respectively, distributed solar power tariff remains at 0.42/kWh

Green Power Certificate

- Initiated the voluntary subscription for the green power certificate on 1 July 2017 nationwide, and binding trade will commence in 2018, reducing reliance on government delayed subsidies

Tax incentives

- Solar projects enjoy first three years income tax exemption and 50% reduction thereafter for the subsequent three years

Dispatch of Electricity Generated

- Priority granted to solar energy in state grid access and dispatch

Company Strategies

Development Strategies

- Further optimized development and construction strategies to expand solar project reserves through complementary to agriculture, fishery, husbandry, poultry or forestry

- Leverage in-house development capabilities to maintain development costs and set the stage for seizing solar projects at tariff bidding process and “advanced” Frontrunner Program

- Support the Poverty Alleviation Program by deploying solar projects in the pilot provinces for poverty alleviation and other priority areas

Key Management Initiatives

Sustainable Growth	● With target of adding 1.5-2GW installed capacity in FY17 ● Distributed power generation and overseas business transformation and upgrade
Raise Electricity Generation and Lower Development Cost	● Lower overall development cost by increasing proportion of in-house developed projects ● Reducing in-house projects construction cost to Rmb 6.0-6.5 per watt in FY17 (1H17: 6.3 Rmb per watt)
Lower Operations and Maintenance Cost	● Establishes at least 5 more regional O&M centers to minimize O&M cost ● Lowering maintenance costs (excluding land fees) to approximately 0.05-0.55 per watt (1H17: 0.028 per watt for half-yr)
Lower Financing Cost	● Adopt light-asset model to further reduce capital investments, increase ROIC ● Adopt more low cost bridge financing e.g. long-term finance lease to lower the overall finance cost ● Lowering additional finance cost to approximately 6.3-6.5% in FY17 (1H17: ~6%)

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Solid Growth Pipeline

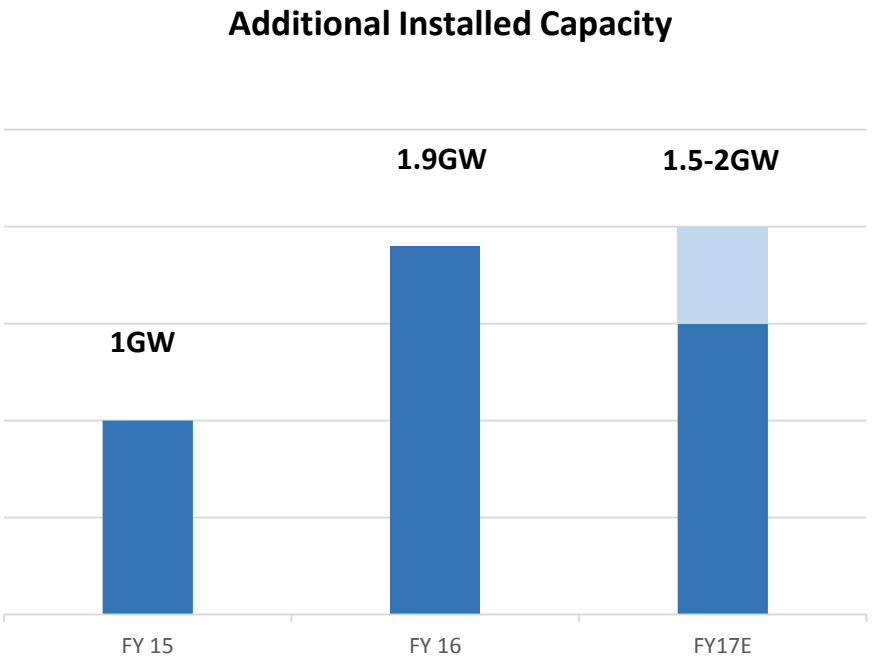
Projects Under Development

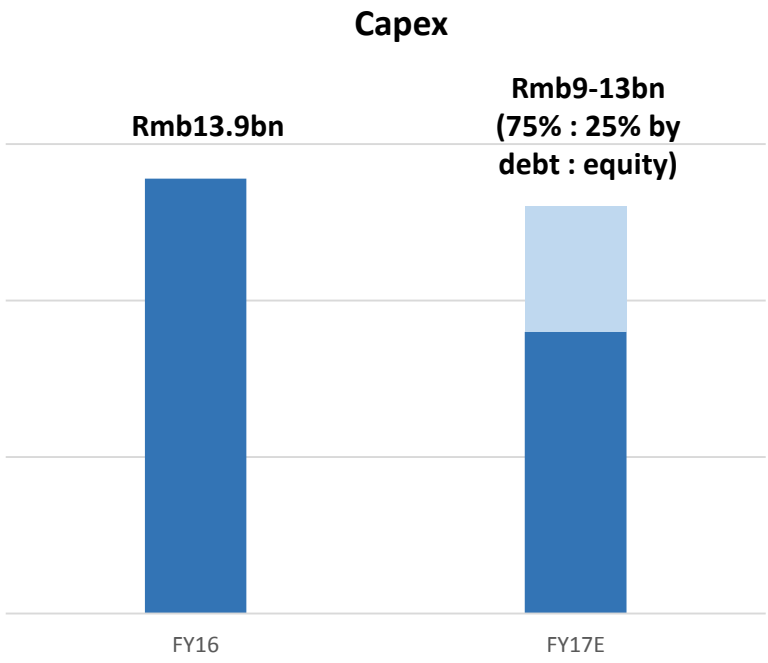
- As of 30 Jun 2017, 13 projects located in 9 provinces with aggregate installed capacity of 510 MW are under construction
- Most of the projects under construction are located in eastern and central areas of China with lower risk of curtailment

Zone	Location	Number of Projects	Installed Capacity（MW）
1	Ningxia	1	50
	Inner Mongolia	1	10
2	Shanxi	2	200
	Hebei	1	20
	Liaoning	1	20
	Yunnan	1	20
3	Guandong	3	100
	Guangxi	1	60
	Jiangxi	1	10
	Hebei	1	20
	Total	**13**	**510**

Capital Expenditure

- 2017 maintain full year additional installed capacity target of 1.5-2 GW and expect capex of Rmb9–13bn

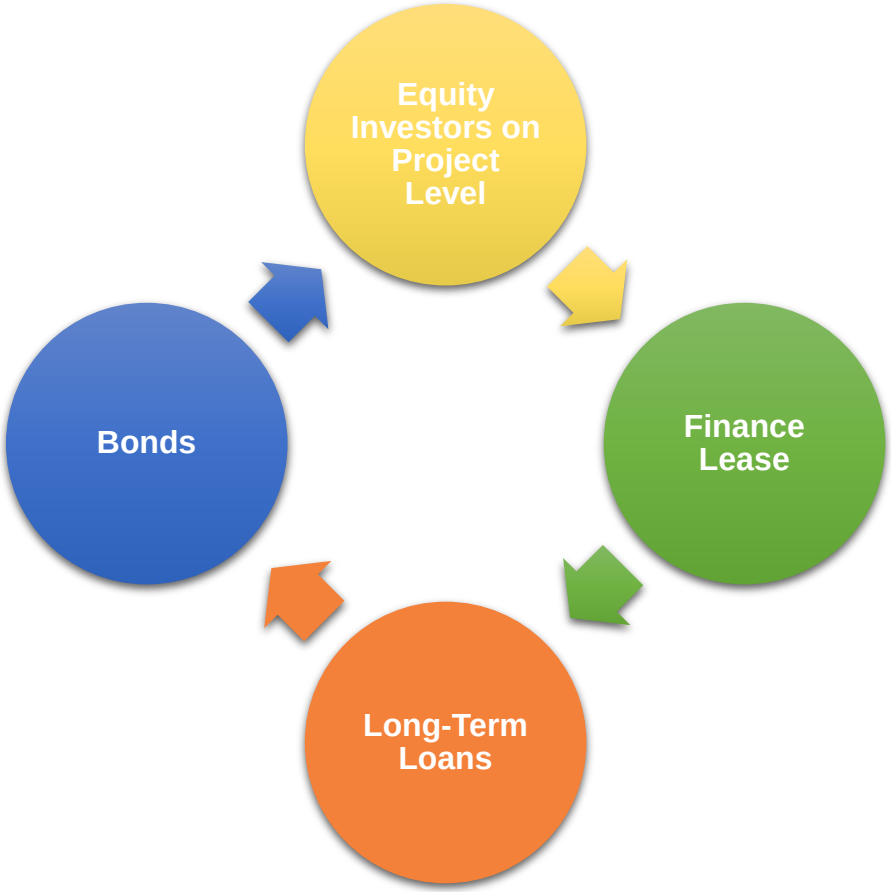




5 Transformation and Upgrade keys

From heavy to Light-asset model transformation	• Seeking capital recycling and alleviating the pressure of project financing through the disposal of substantial stakes in 1-1.5GW solar power projects • Receive stable management fees through providing project management services
From domestic to focus on both domestic and international	• 83 MW in the US commenced operation in 1H17, and 50MW in US will start to operate next year
From ground mounted power plants to ground distributed power plants	• Expect substantial growth in the distributed solar power plant business
From standalone operation to complementary developments	• From standalone operation of solar power to the solar power plus Poverty-Alleviation, Frontrunner, agricultural, fishery, forestry, husbandry and poultry
From solely-owned to strategic cooperation	• From solely-owned to strategic cooperation and introduce large strategic partnerships

Innovative Financing Strategy



- Adopted multi-channel financing strategy to enhance our bargaining power and reduce financial expenses
  - Expedited the replacement of existing short-term loans by securing funding with lower interest expenses and longer durations, e.g. finance lease
  - Borrowing with longer than 3 years term accounted for 91% of the total new borrowings in 1H17
  - Non-public issuance of bonds with max. principal amount of approximately RMB2 billion for a term not more than 3 years on SHSE, and issuance of green bonds with max. principal amount of approximately RMB1.75 billion on SZSE. All expected to be issued in 2017
- To explore new financing products, e.g. attract equity investors on project level

Appendices

Appendix 1: Solar Farms

Jiangsu Jinhu

Ningxia Yongning

What are Agricultural-photovoltaic and Fishery-photovoltaic solar power plants?

Agricultural-photovoltaic and Fishery-photovoltaic are innovative solar power plant operational models which combine agriculture or fishery with solar power. Through installation of necessary equipment and solar panels on agricultural land or fishpond, these innovative solar power plants could realize the synergistic effect and dual purpose of cultivation or fishing with solar power generation while delivering higher economic and social values.

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